

null
Diana T Fritz 02/06/2007 05:35:41 PM From DB/Inbox: Search Results

Cable
Text:

CONFIDENTIAL

SIPDIS
TELEGRAM

June 21, 2004

To: No Action Addressee
Action: Unknown
From: AMEMBASSY ABU DHABI (ABU DHABI 2033 - ROUTINE)
TAGS: EPET, PGOV, BEXP, ENRG, ECON, EINV
Captions: None
Subject: UAEG DECLINES TO PROVIDE FURTHER INFO ON GAS
NEGOTIATIONS WITH IRAN
Ref: None

C O N F I D E N T I A L ABU DHABI 02033

SIPDIS
Laser1:
INFO: FCS
CXABU:
ACTION: ECON
INFO: P/M AMB DCM POL

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: CDA: RALBRIGHT
DRAFTED: ECON: CCRUMPLER
CLEARED: CGD: JDAVIS; POL: JMAYBURY

VZCZCADI457
RR RUEHC RUEHZM RUEHDE RUCPDOG RHEBAAA RUEHLO
RUEHFR
DE RUEHAD #2033 1731343
ZNY CCCCC ZZH
R 211343Z JUN 04
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC 4795
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUEHDE/AMCONSUL DUBAI 4079
RUCPDOG/USDOC WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC
RUEHLO/AMEMBASSY LONDON 0808
RUEHFR/AMEMBASSY PARIS 0848

C O N F I D E N T I A L ABU DHABI 002033

SIPDIS

NOFORN

E.O. 12958: DECL 06/21/08
TAGS: [EPET](#) [PGOV](#) [BEXP](#) [ENRG](#) [ECON](#) [EINV](#) [TC](#) [IR](#)
SUBJECT: UAEG DECLINES TO PROVIDE FURTHER INFO ON GAS
NEGOTIATIONS WITH IRAN

REFS: ABU DHABI 1540 AND PREVIOUS

[1](#)1. (U) Classified by Charge d'Affaires, a.i. Richard A. Albright, for reasons 1.5 (B) and (D).

[1](#)2. (C/NF) In a June 14 meeting with Econoff, Chief Operating Officer of Mubadala (and former Projects Manager for UAE Offsets Group) Khaldoon Al-Mubarak (protect) said

the UAEG would not provide further details about its negotiations with Tehran for the supply of gas to the UAE (refs) because of the possible negative repercussions such discussions could have on the project. He said that a decision to conclude a gas supply agreement with Tehran would be part of a broader effort to normalize UAE-Iranian relations -- including a resolution to the long-standing issue of the disputed islands of the Greater and Lesser Tunbs and Abu Musa.

¶3. (C/NF) When asked if the UAE's preliminary discussions with Tehran about the supply of gas indicated that Iran is less of a security threat to the UAE than in years past, Al-Mubarak responded that he was unsure about the senior UAE leadership's perception of Tehran. "Some days they're concerned, other days it's no big deal." He noted that the younger generation of leaders certainly is less concerned about Iran as an existential threat, and perceive internal security and terrorism as the priority for the UAEG. Although Al-Mubarak declined to name the "younger generation" of leaders, he noted that his boss Shaykh Mohammed bin Zayed Al-Nahyan (MbZ) was "very progressive" in his views toward Iran. He noted that not a single U.S. policymaker asked MbZ about the possible Iranian gas deal during his recent trip to Washington - "clearly [U.S. policymakers] are less concerned about our discussions with Iran than the U.S. Embassy [in Abu Dhabi]."

¶4. (C/NF) Speaking generally, Al-Mubarak said that the price of Qatari gas via the Dolphin project is competitive and Iranian cost of production higher because of U.S. sanctions against Tehran. He suggested, however, that Iran is eager to make political and economic inroads with the Gulf countries and would be willing to take a loss initially to undercut Qatar and conclude gas supply agreements with Kuwait, UAE and others. Al-Mubarak also said that the Gulf countries likewise were looking to diversify sources of gas and not rely entirely on Qatar. Al-Mubarak said that Iran's probable source of gas to the Arabian Gulf would be the South Pars field.

¶5. (C/NF) Comment: The UAEG is weighing carefully the political repercussions of a gas deal with Tehran, and balancing those concerns with the UAE's critical future energy requirements. If the UAEG intends to predicate the gas agreement with Iran on resolution of the disputed islands, it could be a very long time before such an agreement is reached. On the other hand, a gas deal could be a first step toward an eventual resolution of the islands dispute within the context of warming relations. Such a position would allow UAE companies to move forward with their plans to import Iranian gas. End comment.

¶6. (U) This cable was coordinated with Congen Dubai.

Albright